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SUBJECT: MEDIA REACTION IRAN LATIN AMERICA CHAVEZ US  
IMMIGRATION POLICY US/URUGUAYAN FTA 05/08/06

#### 1. SUMMARY STATEMENT

Weekend stories cover the probable crash between the US and Iran; Latin America's regional situation after Bolivia's nationalization of hydrocarbons; Brazilian fears of a regional 'cold war;' the US "praising Argentine and Brazilian efforts to contain Bolivia;" the alleged disappointment of Uruguayan President Vazquez at the US trade proposal; the alleged military imbalance in South America; the role of Venezuelan President Chavez in promoting regional crises in South America; President Kirchner rallying tens of thousands of Argentines against a paper mill project in Uruguay; the government of Sudan and the main Darfur rebel faction signing a peace agreement to end three years of fighting; UK PM Tony Blair overhauling his government after one of the worst local election defeats of his premiership; and the Argentine Foreign Ministry's statement that UN head Kofi Annan would not mediate in a diplomatic spat between Argentina and Uruguay over the construction of two paper mills.

#### 2. OPINION PIECES AND KEY STORIES

- "Iran could leave a critical nuclear treaty"

Daily-of-record "La Nacion" reports (05/08) "One day before the permanent members of the UN Security Council, plus Germany, gathered in order to establish their strategy vis--vis the Iranian nuclear plan, Tehran warned that it will withdraw from the Non Proliferation Treaty if the West continues pressuring the country to suspend its uranium enrichment program.

"This challenge occurred shortly after US President George W. Bush said that Iran represents a threat to Israel and other countries and called to take Iranian warnings seriously."

- "Iran: burning the bridges"

Liberal, English-language "Buenos Aires Herald" carries an opinion piece by Gwynne Dyer, who writes (05/08) "The draft resolution on Iran's nuclear activities that the US, UK and France presented to the UN Security Council on Wednesday is designed to fail. By making it a Chapter Seven resolution..., the authors have guaranteed that it will ultimately face a veto by Russia and China, neither of which is convinced that such extreme measures are necessary.

"They are not necessary, but this resolution burns the

bridges on further negotiations..., and there have been heavy hints in Washington of military action against Iran. If President Bush follows the same path that he took into Iraq, a 'failure to act' by the Security Council is the necessary precursor to an attack on Iran. Such an attack would make no military sense, but US foreign policy is still in the hands of neo-conservatives whose mantra used to be that 'the boys go to Baghdad, the men go to Tehran.'

"... Iran will not back down, and neither will the US. The crash is probably still many months away, but these two countries are on a collision course. So it might be a good time to reconsider the question of what capabilities Iran is really seeking with its nuclear programs."

- "A troubled world"

Eduardo van der Kooy, political columnist of leading "Clarín," writes (05/07) "The region is in a chaotic situation... Tabare Vazquez's meeting with George W. Bush seemed the most meaningful gesture of his anger with Mercosur."

"... Washington has long disregarded the Southern Cone and is still trapped by the eternal mess in the Middle East and the war in Iraq. But in the following weeks US Ambassador to the OAS John Maisto will visit Argentina and Brazil... He will, among other things, look into the reasons why the region has begun to look like a volcano. Washington has an idea about it."

"This idea is called Chavez, who is involved in every conflict in the region... Kirchner and Lula thought

they discovered Chavez's influence in the Bolivian president's fast decision to nationalize hydrocarbons."

"... Washington will raise two issues that directly or indirectly involve Venezuela. Maisto will look into Argentina and Brazil's stance vis--vis the UN Security Council's resolution on Iran. Chavez publicly supported Tehran's nuclear plan. Kirchner and Lula let Chavez know their disagreement with it. But no one knows for sure whether they will support the condemnation promoted by the US. They are suspected not to do it."

"... The other dilemma is the temporary chair at the UN Security Council... Washington will surely not want to see Chavez there with his fiery statements against the White House. Maisto could convey this fear."

- "An option between democracy and populism"

Joaquin Morales Sola, political columnist of daily-of-record "La Nación," opines (04/08) "... The conflict over energy could spoil the climate of dialogue and peace in South America, which was perhaps the most important achievement of regional democracy."

"Brazil and Argentina have enough resources to guarantee the stability of the region... Their presidents only need to put Latin American neo-populism under control."

"... Mercosur is at a crossroads - it needs to be re-founded or buried. Uruguay is leaving it. Tabare Vazquez opened all doors to the US, even those of an FTA during his recent trip to Washington. Paraguay only expects an invitation to follow suit."

"... Chavez has been and still is a disintegrating factor in the region. He divided the Andean Community of Nations, sowed intrigue in Mercosur, of which he is not a member, and now took Evo as his favorite student..."

"Washington was shocked at Evo's decision to nationalize. Both Washington and Madrid prefer to hold on to the hope that Lula and Kirchner will fulfill their old promises to contain Chavez and now Evo.

"... Never have Washington and Madrid's eyes been so fixed on the Argentine president. He has his own domestic front.

"... Kirchner is neither Chavez nor Evo, but the Argentine Government has already interfered in the private economy as he had never done during the last two decades."

- "Brazil fears a regional 'cold war'"

Luis Esnal, on special assignment in Brazil for daily-of-record "La Nacion," writes (05/08) "Marco Aurelio Garcia, advisor to President Lula on International Affairs, said 'We do not want a 'cold war' climate in Latin America.' During the interview, he warned there is a clear and concrete difference between the way Brazil perceives geopolitics and that of Presidents Hugo Chavez and Evo Morales.

"'Brazil's foreign policy for South America and the rest of the world is not based on the 'anti' prefix. 'We are not anti-anyone.' We are 'pro,' with respect to Chavez's anti-US rhetoric.

"Brazil has differentiated its strategy from that of Chavez and even directly criticizing his style and measures. The growth of Chavez's influence in South America... has started to irritate Lula."

- "South America's military balance is increasingly jeopardized"

Leandro Uria, columnist of daily-of-record "La Nacion," comments (05/08) "While there have not been serious military conflicts in the region for the last two decades, South American countries, like Chile, Venezuela and Colombia, embarked on a career to overhaul their military equipment. If this race

continues it could end up in an importance imbalance in the war capability of the region.

"According to the Latin American Security and Defense Network, which gathers 250 military experts in the region, current military expenditures in Chile, Ecuador and Colombia are over 3% on their respective GDPs, while the regional average is of 1.4%."

- "The US praises Argentina and Brazil's dealings with Bolivia"

Ana Baron, Washington-based correspondent for leading "Clarín," writes (05/08) "The US State Department has valued the rapid reaction of Brazil and Argentina vis-à-vis Bolivian gas nationalization, and also their efforts to contain President Evo Morales. In fact, there is certain relief because it was not the US who had to intervene.

"According to a US diplomat in Washington, 'This is good news.' The diplomat acknowledged, however, that there is fear that Venezuela and Cuba have more influence on Bolivia than Brazil and Argentina. This is a big concern for the White House. It considers that what is happening in Bolivia confirms Chavez's increasing influence on the region."

- "The US offers itself as a partner without any ideology"

Conservative "La Prensa" reports (05/06) "According to

US Secretary of State Condoleezza Rice, the US wants to be ' a partner for the creation of better opportunities' in Latin America regardless of the political affiliation of their governments.

"According to Rice, free trade is the most viable tool for cooperation. 'The US will not set an ideological price for its support.' What matters to us is that the government has been democratically elected, that it rules in a democratic way and that it is fulfilling its duties to their people.'"

- "Venezuela promotes regional crises"

Rosendo Fraga, prestigious political columnist, writes in centrist Perfil newspaper (05/07) "Venezuelan President Hugo Chavez has unleashed the crisis in the Andean Community of Nations...

"At the same time, Chavez deepened his conflict with Peru by slashing out at the Peruvian president and former president Alan Garcia.

"It is clear that Chavez has chosen the moment to cause the crisis of the regional group in order to politically use and strengthen his regional leadership, now that Time magazine has included him as the only Latin American among the 100 most influential people in the world."

- "Chavez' influence in Evo Morales' decrees"

Business-financial "Ambito Financiero's" columnist Carlos Pagni writes (05/08) "The presence of Venezuelans in La Paz is surrounded by mystery. There is a blooming political order in Latin America based on two decisive factors -Hugo Chavez' regional activism, fueled by his attractive petrodollars, and the incipient energy crisis in Brazil and Argentina.

"... When Morales' progress was perceived as inevitable, the US State Department attempted to have the Kirchner administration lead a friendly protectorate on La Paz, under the form of a technical cooperation agreement... Condoleezza Rice suggested this to Rafael Bielsa. The US Embassy in Buenos Aires even drafted a minimal energy program that could be the chore of said cooperation. All this in order to prevent YPFB from having Venezuelan engineers..., but history had some other ideas."

- "Free trade - Uruguay is disappointed by US proposal"

Carlos Burgueo, columnist of business-financial "Ambito Financiero," writes (05/08) "Uruguay is reported to be disappointed by the US proposal of an FTA received by Uruguayan President Tabare Vazquez during his meeting with US President George W. Bush.

"This is the information the Argentine Government has on the meeting. However, when he was back from the US, the Uruguayan president said that he is willing to sign an FTA with the US while he pointed out that his country feels disregarded by Mercosur."

### 13. EDITORIALS

- "Regional ties ask for a more rational attitude"

An editorial in leading "Clarín" reads (05/07) "The Puerto Iguazu presidential summit has left some lessons regarding regional ties and the establishment of strategic goals of mutual interest.

"A good example of a cautious handling of a conflict is that of Bolivian gas and oil nationalization. In

spite of the malaise it caused, the Brazilian government decided to call for dialogue among interested parties to prevent an escalation of the conflict... Argentina got involved in this initiative and mediated between Bolivia and Brazil.

"On the contrary, vis--vis the pulp mills problem, the Argentine Government adopted a confrontational style that cut down the possibilities of a negotiation.

"... Furthermore, during his visit to Washington, President Tabare Vazquez told President Bush about the problem and therefore introduced the US into a bilateral or regional conflict with which the US has nothing to do.

"The energy cost and the innumerable topics on the regional agenda require Latin American governments to implement realistic policies oriented to the best use of their resources without descending into aggressive stances among themselves, toward investors or third countries."

- "Latin presence in the US"

An editorial in leading "Clarín" reads (05/08) "The US Latin community has just staged the greatest protest demonstrations since the demonstrations for civil rights. More than two million people staged demonstrations in favor of the immigrants' rights.

"... The legislation that is being promoted by conservative sectors implies a toughened policy that could deepen existing inequality. The Hispanics' claim is as legitimate as the aspiration of obtaining acknowledgement of their status as citizens."

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